

## **The complaint**

Mrs K complains about the settlement she received from Accredited Insurance (Europe) Ltd ("AI") under her motor insurance policy after her car was written off following an accident. She was also unhappy with the way the claim and the repairs were handled.

## **What happened**

Mrs K is represented in bringing this complaint by a third party. References I make to Mrs K's actions include those of her representative.

AI is the underwriter of the policy, i.e. it is the insurer. Part of this complaint concerns the actions of its agents for which AI has accepted accountability. Any reference to AI includes the actions of its agents.

The background to this complaint is well known to the parties so I've provided a summary here.

- Mrs K has a motor insurance policy underwritten by AI. She was involved in a collision in a car park and, following inspection, AI said her car was a write off.
- Mrs K complained about a number of things related to the claim. She was unhappy with AI's initial settlement offer and said she'd felt under pressure to accept this. She felt the deduction AI quoted for the salvage buy back was unreasonable as she'd had a lower quote. She was unhappy with the clarity of AI's explanation of what documentation she would need to provide to ensure continuation of insurance cover.
- Additionally, Mrs K also believed the rear bumper of the car had been further damaged while the car was in the care of AI's agents. She was also unhappy when she called at AI's agent, the car wasn't ready to collect so she had a wasted journey.
- AI issued two final responses to her complaint. Mrs K remained unhappy and brought her complaint to this Service. During our investigation, AI increased its settlement offer for the value of the car. Our Investigator considered the evidence and provided his findings, which I've briefly summarised below.
- He thought AI's increased settlement offer was reasonable but he thought AI should pay £200 for the distress and inconvenience its previous offer had caused. He didn't think AI had put Mrs K under pressure to accept the settlement. He thought the salvage value quoted by AI was reasonable. While some of the required documentation had been provided, some hadn't and he thought AI's timescales had been reasonable
- He recommended AI pay £100 for the inconvenience of Mrs K's wasted trip to collect the car. And a further £100 for the incorrect information the broker acting for AI had provided.
- AI accepted the findings but Mrs K remained unhappy as she thought the broker was

responsible for further losses she said she'd incurred. So the case has come to me for an Ombudsman's decision.

### **What I've decided – and why**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

From my review of this complaint, it seems to me the main outstanding point of contention is around the actions of the broker which Mrs K says was acting on AI's behalf and the information it provided her with.

Seemingly, the remainder of the points have been resolved to Mrs K's satisfaction following our intervention and the explanations provided by our Investigator. But for the sake of completeness, I'll briefly touch on these as well.

#### *The settlement offer*

Having considered the evidence on file, I'm in agreement the increased vehicle valuation of £4,270 - plus 8% interest on the increased amount - is fair and reasonable for the reasons explained by our Investigator. Mrs K has confirmed she's accepted the £200 compensation already paid by AI as a fair way for it to recognise the distress and inconvenience caused by the previous lower offer.

I've not seen enough to persuade me Mrs K was pressurised into accepting the settlement offer. And given I'm satisfied it was a fair sum, this wouldn't be likely to change my position even if Mrs K could demonstrate this.

#### *The deduction for salvage*

AI has supplied evidence from a salvage expert to support the figure it deducted for salvage and I'm satisfied it was reasonable for AI to rely on this for the same reasons provided by the Investigator.

#### *The damaged bumper*

AI has shown the rear bumper was already damaged in the accident and needed replacement as it was irreparable. So whether or not further damage occurred while the car was in AI's agents care doesn't make a difference as the bumper replacement had already been accounted for.

#### *Collection of the car*

There doesn't seem to be conclusive proof around what was said to Mrs K about the car being ready to collect before her wasted journey. But AI has accepted the Investigator's recommendation and paid Mrs K £100 for the inconvenience she experienced when the car wasn't ready and Mrs K seemingly has accepted this. I'm satisfied this is fair and reasonable in the circumstances.

#### *The documentation required to continue cover*

AI sent Mrs K a letter letting her know what documentation she would need to provide to the broker to ensure continuance of cover. She provided some of the documentation but not all of it but despite this, when she contacted the broker, it confirmed the documentation was acceptable and cover would continue but this later turned out to be incorrect.

AI has seemingly accepted the broker was acting as its agent at this time and that it is responsible for any mistakes the broker made. I acknowledge the broker provided incorrect information to Mrs K and she says this happened on a number of occasions. This was clearly misleading and I understand why it caused Mrs K distress and inconvenience when she later found the policy was going to be cancelled due to incomplete documentation.

But I do have to balance this against what AI had already told her about the requirements. I've considered its letter of 19 May 2023 very carefully and I'm satisfied this clearly explains exactly what is required.

I'm satisfied the letter was addressed correctly and, on balance, I think it more likely Mrs K received it as reference is made to its contents in her testimony. So while I acknowledge the broker caused an error and provided incorrect information, I'm satisfied AI had previously made its requirements clear to Mrs K. And because of this, I won't be asking AI to pay further costs Mrs K says she incurred but I will consider the distress the error caused.

I've thought about this very carefully and having done so, I think AI should pay Mrs K £100 for the incorrect information it provided her, on top of the £300 it's already paid for the other issues. I realise Mrs K doesn't think this additional £100 is sufficient, but I'm satisfied it is fair and reasonable in all the circumstances.

### **My final decision**

My final decision is that I uphold this complaint and direct Accredited Insurance (Europe) Ltd to pay Mrs K £100 for the distress and inconvenience it caused her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs K to accept or reject my decision before 27 September 2023.

Paul Phillips  
**Ombudsman**